

## NEWS RELEASE

# Luther Strange

Alabama Attorney General



FOR IMMEDIATE RELEASE

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For More Information, contact:

Joy Patterson (334) 242-7491  
Suzanne Webb (334) 242-7351  
Jeff Sommer (334) 353-2199

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## **AG STRANGE WARNS AGAINST FRAUD, LOOTING, PRICE GOUGING WITH ALL ALABAMA COUNTIES UNDER STATE OF EMERGENCY**

(MONTGOMERY) – With the approach of Tropical Storm Isaac toward the coast of Alabama and nearby states, Attorney General Luther Strange warns that his office will be vigilant in protecting our citizens from those who might illegally exploit this dangerous situation.

With a State of Emergency officially declared for every county of Alabama, the state's price gouging and looting laws now are in effect throughout the state. The Attorney General also reminds citizens to be careful of potential home repair fraud.

"Our thoughts and prayers are with the many families who may be affected by this storm," said Attorney General Strange. "I urge our citizens to be cautious of those who would prey upon them through crimes such as price gouging, looting and home repair fraud. I warn the criminals that if they do so, they will be punished."

Alabama's price gouging law comes into effect when the Governor has declared a State of Emergency, and it prohibits the "unconscionable pricing" of items for sale or rent. Although what constitutes an unconscionable price is not specifically set forth in state law, a price that is 25 percent or more above the average price charged in the same area within the last 30 days-- unless the increase can be attributed to a reasonable cost-- is a prima facie case of unconscionable pricing. The penalty is a fine of up to \$1,000 per violation, and those determined to have willfully and continuously violated this law may be prohibited from doing business in Alabama.

In addition, Alabama now has the protection of a tough new looting law advocated by Attorney General Strange in the wake of tornado devastation suffered by Alabama. The law now specifically criminalizes looting and provides strong penalties for those who would exploit the tragedy of their fellow citizens and neighbors.

The Attorney General's legislation makes looting a class C felony, which is punishable by one to 10 years imprisonment and a fine of up to \$15,000. The law provides that "person commits the crime of looting if the person intentionally enters without authorization any building or real property during a state of emergency and obtains, exerts control over, damages, or removes the property of another person without lawful authority." It also is specified that a person subject to prosecution for looting still may be prosecuted for other applicable offenses. This law applies in times such as this, when the Governor has proclaimed an official state of emergency.



Another problem may occur after the destruction of storms when Alabamians begin to rebuild, as home repair fraud may become a real, persistent and serious problem. A first offense of home repair fraud is a class A misdemeanor, punishable by up to one year imprisonment and fines of up to \$6,000 for each count. Subsequent offenses are a class C felony, punishable by one to 10 years imprisonment and fines of up to \$15,000 for each count.

Attorney General Strange cautions consumers to be wary and to take the following precautions when hiring someone to make repairs:

- Find out as much as you can about the workers, especially if they make unsolicited contact with you or have come from out-of-town after a natural disaster.
- Contact the Attorney General's Office and the Better Business Bureau to see if any complaints have been filed against the contractor.
- Ask for proof that they are bonded or insured.
- Ask if they are licensed. Regulations vary, but plumbers and electricians must be tested to be licensed by the state. Contractors may be required to have local licenses if they do major work, but those who do small odd jobs may not have to be licensed. You may check with the Alabama Home Builders Licensure Board to see if a contractor is licensed by calling 1-800-304-0853, or by visiting [www.hblb.alabama.gov](http://www.hblb.alabama.gov).
- Ask if this particular job requires a permit. Most construction and home repairs of major significance require a permit from the county or city. Do not let them talk you into applying for the permit in your name. If they do not want to be known to local officials, they may be hiding a bad reputation.
- Obtain several written estimates. Beware of estimates that are well below the market price or seem "too good to be true".
- Ask for references. Get names and addresses, and call them.
- Have the contractor prepare a written contract. Make sure it includes the contractor's full name, address, and telephone number; a description of the work to be performed; starting and estimated completion dates; and the total cost.
- NEVER make a full payment up front and do not make final payment until you are satisfied and all subcontractors have been paid. If they tell you more money is needed in advance, be wary. They should be able to pay for supplies or have credit to make necessary purchases until you compensate them afterward.
- Make sure you can contact them. Be wary if they can only give you a pager number, a cell phone number, or a post office box address. Businesses with established addresses may be safer.

Attorney General Strange urges consumers and officials to report any problems of alleged fraud, looting or illegal price gouging to their local district attorneys or to his Office of Consumer Protection by calling toll-free 1-800-392-5658, by writing to 501 Washington Avenue, Montgomery, Alabama, 36130, or through the Attorney General's main web page at [www.ago.alabama.gov](http://www.ago.alabama.gov).